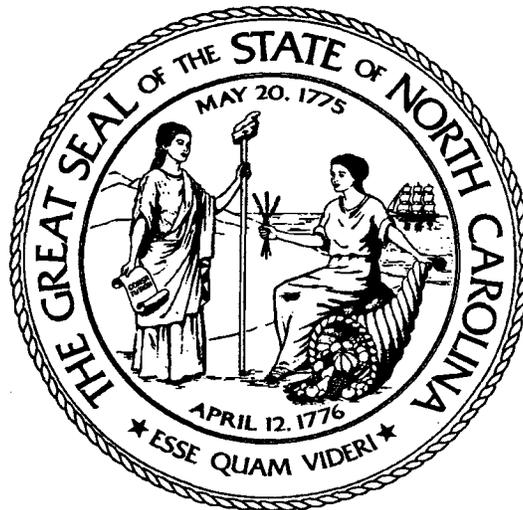


**LEGISLATIVE
RESEARCH COMMISSION**

**LICENSE PLATE FEES—
PERSONALIZED AND SPECIAL PLATES**



**REPORT TO THE
1991 GENERAL ASSEMBLY
OF NORTH CAROLINA
1991 SESSION**

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STATE OF NORTH CAROLINA
LEGISLATIVE RESEARCH COMMISSION
STATE LEGISLATIVE BUILDING
RALEIGH 27611



December 14, 1990

TO THE MEMBERS OF THE 1991 GENERAL ASSEMBLY:

The Legislative Research Commission herewith submits to you for your consideration its final report on special license plate fees. The report was prepared by the Legislative Research Commission's Committee on License Plate Fees--Personalized and Special Plates pursuant to Section 6 of Chapter 774 of the 1989 Session Laws.

Respectfully submitted,



Josephus L. Mavretic
Speaker



Henson P. Barnes
President Pro Tempore

Cochairmen
Legislative Research Commission

1989-1990

LEGISLATIVE RESEARCH COMMISSION

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PREFACE

The Legislative Research Commission, established by Article 6B of Chapter 120 of the General Statutes, is a general purpose study group. The Commission is co-chaired by the Speaker of the House and the President Pro Tempore of the Senate and has five additional members appointed from each house of the General Assembly. Among the Commission's duties is that of making or causing to be made, upon the direction of the General Assembly, "such studies of and investigations into governmental agencies and institutions and matters of public policy as will aid the General Assembly in performing its duties in the most efficient and effective manner" (G.S. 120-30.17(1)).

At the direction of the 1989 General Assembly, the Legislative Research Commission has undertaken studies of numerous subjects. These studies were grouped into broad categories and each member of the Commission was given responsibility for one category of study. The Co-chairs of the Legislative Research Commission, under the authority of G.S. 120-30.10(b) and (c), appointed committees consisting of members of the General Assembly and the public to conduct the studies. Co-chairs, one from each house of the General Assembly, were designated for each committee.

The study of special license plate fees was authorized by Section 6 of Chapter 774 of the 1989 Session Laws (1989 Session). Section 6 of Senate Bill 913 reads in part: "The Legislative Research commission is authorized to study the fee structure for personalized license plates and special plates, either as part of a study of the revenue laws or a related topic or as a separate study. The Commission shall consider whether the fees for these two types of plates should be the same." The relevant portion of Chapter 774 of the 1989 Session Laws, Senate Bill 913, is included in Appendix A. The Legislative Research Commission grouped this study in its taxation area under the direction of Representative John W. "Bill" Hurley. The Committee was chaired by

Senator R. C. Soles, Jr. and Representative Doris R. Huffman. The full membership of the Committee is listed in Appendix B of this report. A committee notebook containing the committee minutes and all information presented to the committee is filed in the Legislative Library.

COMMITTEE PROCEEDINGS

The LRC Committee on Special License Plate Fees met three times to study and discuss the special license plate system. The Committee devoted its first meeting on October 10, 1990, to studying the present special license plate system and reviewing the administrative problems associated with it. On November 14, 1990, the Committee held a working session to examine and edit a proposed piece of legislation incorporating many of the recommendations and ideas discussed at its first meeting. The Committee met a final time on November 29, 1990, to complete the work it began at its second meeting and to approve its final report.

At its first meeting, Ms. Cynthia Avrette, the Committee Counsel presented an overview of the special license plate system. Special license plates are registration plates bearing a combination of letters, numbers, or both, other than those normally issued sequentially by the Division of Motor Vehicles. Examples of special license plates include personalized plates, purple heart recipient plates, official plates, and amateur radio plates. There are fourteen statutes relating to special license plates which contain six different fee categories, four different fee dispositions, and a complicated web of various fee accounts. Appendix C of this report contains a chart depicting these differences.

As a general rule, the fee for a special plate is the normal registration fee plus an additional fee of ten dollars. However, there are many exceptions to the rule. Prisoner of War plates, Congressional Medal of Honor plates, and 100% Disabled Veteran plates are absolutely free to eligible applicants. The owner of a "Historic Vehicle", which is a vehicle that is at least 35 years old from the date of manufacture, may register the vehicle and receive a special plate for a fee that is less than the normal registration fee of twenty dollars. Although an active National Guard member must

pay the normal registration fee, he does not have to pay an additional fee to obtain a National Guard special plate. The holder of an amateur radio operator plate need only pay the additional \$10.00 fee every five years. To receive a personalized registration plate, the owner of the motor vehicle must pay an additional fee of twenty dollars.

The General Assembly increased the additional fee for personalized registration plates in 1989. The \$10.00 increase provides a continuing funding source for the Recreation and Natural Heritage Trust Fund. Mr. Hamilton Horton, the Chairman of the Board of Trustees for the Natural Heritage Trust Fund, spoke to the Committee members on the origin and purpose of the Fund. The General Assembly created the Natural Heritage Trust Fund in 1987 as a supplemental funding source for state agencies to acquire and protect important natural areas, preserve the state's ecological diversity, and to inventory natural heritage resources.

Presently, the Natural Heritage Trust Fund does not bear any of the administrative costs associated with collecting and accounting the revenue designated by statute for it. Secretary of Transportation Thomas Harrelson asked the Committee members to consider requiring the Natural Heritage Trust Fund to share in these expenses. At its second meeting, Mr. James Sughrue, an Assistant Secretary of Transportation, presented a proposal to the Committee members to restructure the accounting and distribution of money to the Natural Heritage Trust Fund. He suggested crediting all of the \$20.00 additional fee for personalized registration plates to the Special Registration Plate Fund. After deducting the administrative costs of the Fund, a percentage of the money would be transferred quarterly to the Natural Heritage Trust Fund.

Donnie Wheeler, an auditor with the State Auditor's office, briefed the Committee on a performance audit his office conducted of the special license plate accounts. Based on the audit, he recommended that the Committee consider consolidating the

various statutes applicable to special license plates and simplifying the special license plate statutes by providing for a single revenue account, a uniform fee amount, and a uniform distribution of the excess revenues.

The audit revealed that the special plates are segregated by statute into two funds: the Personalized Registration Plate Fund and the Special License Plate Fund. Presently, the revenue from five of the special plates is credited to the Personalized Registration Plate Fund. The revenue from the majority of the other special plates is credited to the Special License Plate Fund and the revenue from the remaining plates is credited to the Highway Fund.

The money credited to the Special License Plate Fund is divided by statute into designated accounts representative of the special plate accounts in the Fund. This designation requires segregation in the handling of these plates throughout the registration and accounting processes. The audit of this Fund revealed continuing losses over the past eight years totaling \$75,055 that the Division of Motor Vehicles has had to absorb. The auditor determined that the special accounting for these plates increases the administrative costs without providing any benefit to the Special Registration Plate Program or the taxpayers.

After deducting the cost of making, handling, and issuing the special license plates, the money credited to the Personalized License Plate Fund is distributed among three State agencies to help finance programs to enhance the attractiveness of the State. The Department of Transportation uses 50% of the proceeds to finance the beautification of North Carolina's highways. Thirty-three percent of the money is transferred to the Department of Economic and Community Development to help finance advertising campaigns that promote the State for both industrial development and travel and tourism. The Division of Vocational Rehabilitation Services of the Department of Human Resources uses 17% of the revenue to promote travel

accessibility for disabled persons. Any funds allocated for travel accessibility that are not used during a fiscal year are transferred to the Department of Administration for the removal of man-made barriers to disabled persons at State-funded travel attractions.

Prior to the distribution among the State agencies, the Secretary of Transportation may allocate and reserve up to \$100,000 for the Department of Transportation each fiscal year for the purpose of traffic control at major events. G.S. 136-44.2 defines a major traffic event as one that generates 30,000 vehicles or more a day. Any funds allocated for this purpose that are neither used nor obligated at the end of the fiscal year remain in the Fund to be distributed among the three State agencies.

All of the proceeds of the revenue derived from the issuance of Citizens Radio Station Operator plates is designated for highway beautification. Within the Special License Plate Fund, the revenue contained in some of the accounts is distributed in the same manner as the revenue credited to the Personalized License Plate Fund. The revenue in the remaining accounts goes into the Highway Fund.

The Expansion Budget Appropriations Act of 1989 allocated \$50,000 for the 1989-90 fiscal year and \$150,000 for the 1990-91 fiscal year for personnel to man Visitor Welcome Centers. The money for this allocation came from the Personalized Registration Plate Fund before any other transfers could be made for the Fund's statutory purposes. Secretary Harrelson asked the Committee members to discourage the use of the Fund's revenue for purposes other than those set forth in the statute.

Ms. Carol Nemitz, the Director of Motor Vehicle Registration at the Division of Motor Vehicles, addressed the Committee members on the administrative problems associated with the various fee accounts. She recommended establishing a uniform fee and crediting all of the revenue from the special plates into one fund. She also recommended the following changes to the special license plate statutes:

- * Repealing the Consular and Diplomat Plates because an agent for the U.S. Government asked the Division to stop issuing the plates in 1985, which the Division did.

- * Leaving the specific design of the special plate to the discretion of the special group and the Division, working within guidelines set by the General Assembly.
- * Changing the phrase on the historic plate from "Antique Auto" to "Antique" so that the plate will be applicable to trucks and motorcycles that are 35 to 50 years old from the date of manufacture.
- * Changing the phrase on the U.S. Coast Guard Auxiliary plate from "U.S. Coast Guard Auxiliary" to "Coast Guard Auxiliary" because the former phrase has too many letters to fit on a registration plate.

At its second meeting, Mr. Bob Cox, speaking on behalf of the Durham Vietnam Veterans, asked the Committee members to amend the statute so that a purple heart recipient requesting a Purple Heart special plate would not have to pay the additional \$10.00 fee. The Committee also received a request from The Honorable Earl Britt, the chief judge of the U.S. District Courts in North Carolina. On behalf of the federal judges, he asked the Committee members to change the phrase "U.S. Judge" to "U.S. J". For security reasons, the judges have been advised not to request a special plate with the word "Judge" on it. Mr. Reed Whitten, the North Carolina Section Manager for the American Radio Relay League, addressed the Committee at its last meeting. He asked the Committee members to continue the State's recognition of the amateur radio operator's volunteer emergency communications services by not raising the fee for the Amateur Radio special plate.

In the course of its discussion at the second meeting, the members considered creating a collegiate license plate series. Ms. Nemitz suggested that if the Committee established such a series, it also require a minimum number of requests for a college's plate before the Division could issue it. The members learned that a collegiate plate series had the potential to increase the number of special plate categories by 118 for in-state schools alone. Because of the number of questions raised by the members on this issue, the Committee decided not to make any recommendation concerning it in its report.

COMMITTEE FINDINGS AND RECOMMENDATIONS

The LRC Committee on Special License Plate Fees acknowledges that the special license plate statutes are numerous.

THE LRC COMMITTEE ON SPECIAL LICENSE PLATE FEES THEREFORE RECOMMENDS THAT THE GENERAL ASSEMBLY consolidate the statutes into one statute.

The LRC Committee on Special License Plate Fees acknowledges that the designated accounts required by the statutes result in segregation in the handling of the special plates throughout the registration and accounting processes.

The LRC Committee on Special License Plate Fees acknowledges that the audit of the Special License Plate Fund revealed continuing losses over the past eight years totaling \$75,055 that the Division of Motor Vehicles has had to absorb.

The LRC Committee on Special License Plate Fees acknowledges that the special accounting for the special license plates increases the administrative costs without providing any benefit to the Special Registration Plate Program or the taxpayers.

The LRC Committee on Special License Plate Fees acknowledges that the Recreation and Natural Heritage Trust Fund should share in the administrative expenses associated with collecting and accounting the revenue it receives from the Special Registration Plate Program.

The LRC Committee on Special License Plate Fees acknowledges that the four different fee dispositions are difficult to administer in the accounting process and that

the Special Registration Plate Program would be simplified with a more uniform fee disposition.

THE LRC COMMITTEE ON SPECIAL LICENSE PLATE FEES THEREFORE RECOMMENDS THAT THE GENERAL ASSEMBLY simplify the Special Registration Plate Program by crediting all of the revenue earned from the additional fee charged for special registration plates into one fund, by deducting the costs of the special plates from the fund, and by transferring one-half of the revenue remaining in the Fund to the Recreation and Natural Heritage Trust Fund quarterly. Of the remaining one-half of the revenue in the Fund, the Secretary of Transportation may allocate and reserve up to \$100,000 for the purpose of traffic control at major events. Any funds that are neither used nor obligated at the end of the fiscal year for traffic control shall remain in the Fund. The remaining revenue in the Fund shall be distributed among the following three State agencies: 50% to the Department of Transportation, 33% to the Department of Economic and Community Development, and 17% to the Department of Human Resources.

The LRC Committee on Special License Plate Fees acknowledges that the different fee amounts are difficult to administer and that the Special Registration Plate Program would be simplified with a more uniform fee structure.

THE LRC COMMITTEE ON SPECIAL LICENSE PLATE FEES THEREFORE RECOMMENDS THAT THE GENERAL ASSEMBLY simplify the Special Registration Plate Program by enacting the following uniform fee schedule for special registration plates:

<u>Type of Special Plate</u>	<u>Fee Amount</u>
Congressional Medal of Honor	Free
Prisoner of War	Free

**100% Disabled Veteran
Active National Guard
Personalized
All other Special Plates**

**Free
Registration Fee Only
Registration Fee Plus \$20.00
Registration Fee Plus \$10.00**

The LRC Committee on Special License Plate Fees acknowledges that the Consular and Diplomate special plate needs to be repealed, that the phrase "Antique Auto" needs to be amended so that it can apply to trucks and motorcycles that are 35 to 50 years old from the date of manufacture, that the phrase "U.S. Judge" poses a security risk to the United States judges, and that the phrase "U.S. Coast Guard Auxiliary" has too many letters to put on a registration plate.

THE LRC COMMITTEE ON SPECIAL LICENSE PLATE FEES THEREFORE RECOMMENDS THAT THE GENERAL ASSEMBLY repeal the Consular and Diplomate special plate, change the phrase "Antique Auto" to "Antique", change the phrase "U.S. Judge" to "U.S. J" and change the phrase "U.S. Coast Guard Auxiliary" to "Coast Guard Auxiliary".

The LRC Committee on Special License Plate Fees acknowledges the flexibility needed by the Division of Motor Vehicles to design plates.

THE LRC COMMITTEE ON SPECIAL LICENSE PLATE FEES THEREFORE RECOMMENDS THAT THE GENERAL ASSEMBLY leave the specific design of a special plate to the discretion of the special group and the Division of Motor Vehicles working within guidelines set by the General Assembly.

The LRC Committee on Special License Plate Fees acknowledges that the revenue derived from the additional fee charged for special registration plates should be used only for the purposes stated in the statute.

THE LRC COMMITTEE ON SPECIAL LICENSE PLATE FEES THEREFORE RECOMMENDS THAT THE GENERAL ASSEMBLY use the revenue derived from the additional fee charged for special registration plates only for the purposes set forth in the statute.

APPENDIX A

**GENERAL ASSEMBLY OF NORTH CAROLINA
1989 SESSION
RATIFIED BILL**

**CHAPTER 774
SENATE BILL 913**

**AN ACT TO INCREASE THE FEE FOR VANITY MOTOR VEHICLE
REGISTRATION PLATES AND TO PROVIDE FOR THE DISBURSEMENT OF THE
ADDITIONAL REVENUES DERIVED.**

...

Sec. 6. The Legislative Research Commission is authorized to study the fee structure for personalized license plates and special plates, either as part of a study of the revenue laws or a related topic or as a separate study. The Commission shall consider whether the fees for these two types of plates should be the same. The Commission may report its findings to the 1991 General Assembly.

Sec. 7. This act shall become effective October 1, 1989.

In the General Assembly read three times and ratified this the 12th day of August, 1989.

APPENDIX B

MEMBERSHIP OF LRC COMMITTEE ON LICENSE PLATE FEES-- PERSONALIZED AND SPECIAL PLATES

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Sen. Ralph A. Hunt
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Sen. Herbert L. Hyde
29 Market Street
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Sen. Robert L. 'Bob' Martin
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Ms. Martha R. Taylor
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APPENDIX C

SPECIAL LICENSE PLATES

<u>Special License Plate</u>	<u>Issued</u>	<u>Statute</u>	<u>Registration Fee</u>	<u>Fee Disbursement</u>
National Guard, Active	1937	G.S. 20-80	Regular fees No add'l fee	N/A
National Guard, Retired	1985	G.S. 20-80(f)	Regular fees plus \$10.00	Reference to G.S. 20-81.3(c) Separate Acc't Req'd
U.S. Military Reserve	1984	G.S. 20-80.1	Regular fees plus \$10.00	Deposited into the Per. Reg. Plate Fund
Official Plates	1937	G.S. 20-81	Regular fees plus \$10.00	Reference to G.S. 20-81.3(c) Separate Acc't Req'd
Amateur Radio	1951	G.S. 20-81.1	Regular fees plus \$10.00 when plate issued and every 5th year thereafter	No Designation Put in Highway Fund
Historic Vehicles	1955	G.S. 20-81.2	\$6.00 if 35 to 50 years old One-time \$15.00 fee if at least 50 years old	No Designation Put in Highway Fund No Designation Put in Highway Fund
Personalized Plates	1968	G.S. 20-81.3	Regular fees plus \$20.00	See Below
Disabled Vets (100%) Prisoners of War, and Congressional Medals of Honor Recipients	1985	G.S. 20-81.4	Free	N/A

Partially Disabled Vets	1985	G.S. 20-81.4(e)	Regular fees plus \$10.00	No Designation Put in Highway Fund
Civil Air Patrol	1971	G.S. 20-81.5	Regular fees plus \$10.00	Deposited into the Per. Reg. Plate Fund
Citizens Radio Station Operators	1951	G.S. 20-81.6	Regular fees plus \$10.00	Reference to G.S. 20-81.3(c)(2) Separate Acc't Req'd
Firefighters and Rescue Squad Members	1977	G.S. 20-81.7	Regular fees plus \$10.00	No Designation Separate Acc't Req'd Put in Highway Fund
Street Rods	1984	G.S. 20-81.8	Regular fees plus \$10.00	No Designation Separate Acc't Req'd Put in Highway Fund
U.S. Coast Guard Auxiliary	1987	G.S. 20-81.9	Regular fees plus \$10.00	Reference to G.S. 20-81.3(c) Separate Acc't Req'd
Pearl Harbor Survivors	1987	G.S. 20-81.10	Regular fees plus \$10.00	Deposited into the Per. Reg. Plate Fund
Purple Heart Recipients	1990	G.S. 20-81.11	Regular fees plus \$10.00	Deposited into the Per. Reg. Plate Fund

G.S. 20-81.3(c): Designation of Personalized License Plate Funds

One-half of the revenue derived from the \$20.00 additional fee is deposited into the Recreation and Natural Heritage Trust Fund established under G.S. 113-77.7. The money in the Fund is used to purchase (1) lands that represent the ecological diversity of the State to ensure their preservation and conservation for recreational, scientific, educational, cultural, and aesthetic purposes; and (2) lands as additions to the system of parks, State trails, aesthetic forests, fish and wildlife management areas, wild and scenic rivers, and natural areas for the beneficial use and enjoyment of the public. This distribution was authorized by Chapter 774 of the 1989 Session Laws which increased the additional fee for the Personalized Plates from \$10.00 to \$20.00.

The remaining one-half of the revenue derived from the additional fee is deposited into the **Personalized Registration Plate Fund**. The cost of the plates, plus budgetary requirements for advertising, handling, and issuance to be determined by the Commissioner, are deducted from the **Fund** before any other transfers are made.

The Expansion Budget Appropriations Act of 1989 allocated \$50,000 for the 1989-90 fiscal year and \$150,000 for the 1990-91 fiscal year for personnel to man Visitor and Welcome Centers. The money for this allocation comes from the **Fund** before any other transfers are made for the **Fund's** other purposes.

G.S. 20-81.3(g) allows the Secretary of Transportation to allocate and reserve up to \$100,000 to the Department of Transportation each fiscal year from the **Fund** before any other transfers are made pursuant to subsection (c) outlined below. The money reserved by the Department must be used for the purpose of traffic control at major events that involve a high degree of traffic concentration on State highways and which cannot be funded from regular budgeted items. The event must be expected to generate 30,000 vehicles or more per day. Any funds allocated for this purpose that are not used or obligated shall remain in the **Fund** for the use of the **Fund's** other purposes.

The remaining money in the **Fund** is transferred quarterly as follows:

- (1) 33% to the Department of Commerce to aid in the financing of media advertising for the promotion of travel and industrial development in this State;
- (2) 50% to the Department of Transportation to be used solely for the purpose of beautification of highways other than those designated as interstate; and
- (3) 17% to the Department of Human Resources to promote travel accessibility for disabled persons in this State and to develop, print, and promote the publication ACCESS NORTH CAROLINA.

Prepared by Cindy Avrette, Research Division
for LRC Special License Plate Committee
October 10, 1990

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S/H

D

LPSC-RB91-9

30-NOV-90 13:32:08

THIS IS A DRAFT AND NOT READY FOR INTRODUCTION

Short Title: Simplify Special Plate Statutes.

(Public)

Sponsors:

Referred to:

1 A BILL TO BE ENTITLED

2 AN ACT TO CONSOLIDATE AND SIMPLIFY THE SPECIAL LICENSE PLATE
3 LAWS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 20-80 through G.S. 20-81.2 and G.S. 20-81.4 through
6 G.S. 20-81.11 are repealed.

7 Sec. 2. Chapter 20 of the General Statutes is amended by adding the
8 following new sections to Part 5 of Article 3 of that Chapter to read:

9 "§ 20-79.4. Special registration plates.

10 (a) Types. -- Upon application and payment of the required registration fees, a
11 person may obtain from the Division a special registration plate for a motor vehicle
12 registered in that person's name if the person qualifies for the registration plate. The
13 Division shall issue the following types of special registration plates:

14 (1) Administrative Officer of the Courts. -- Issuable to the Director of the
15 Administrative Office of the Courts. The plate shall bear the phrase
16 "J-20".

17 (2) Amateur Radio Operator. -- Issuable to an amateur radio operator
18 licensed by the Federal Communications Commission. The plate shall
19 bear the operator's official amateur radio call letters.

20 (3) Civil Air Patrol Member. -- Issuable to an active member of the North
21 Carolina Wing of the Civil Air Patrol. The plate shall bear the phrase
22 "Civil Air Patrol". A plate issued to an officer member shall begin

1 with the number "201" and the number shall reflect the seniority of
2 the member; a plate issued to an enlisted member, a senior member,
3 or a cadet member shall begin with the number "501".

- 4 (4) Class D Citizen's Radio Station Operator. -- Issuable to a Class D
5 citizen's radio station operator licensed by the Federal
6 Communications Commission. The plate shall bear the operator's
7 official Class D citizen's radio station call letters.
- 8 (5) Clerk of Superior Court. -- Issuable to a clerk of superior court. The
9 plate shall bear the phrase "Clerk Superior Court" and the letter "C"
10 followed by a number that indicates the county the clerk serves.
- 11 (6) Coast Guard Auxiliary Member. -- Issuable to an active member of
12 the United States Coast Guard Auxiliary. The plate shall bear the
13 phrase "Coast Guard Auxiliary".
- 14 (7) Congressional Medal of Honor Recipient. -- Issuable to a recipient of
15 the Congressional Medal of Honor.
- 16 (8) Disabled Veteran. -- Issuable to a veteran of the armed forces of the
17 United States who suffered a 100% service-connected disability.
- 18 (9) District Attorney. -- Issuable to a North Carolina or United States
19 District Attorney. The plate issuable to a North Carolina district
20 attorney shall bear the letters "DA" followed by a number that
21 represents the prosecutorial district the district attorney serves. The
22 plate for a United States attorney shall bear the phrase "U.S.
23 Attorney" followed by a number that represents the district the
24 attorney serves, with 1 being the Eastern District, 2 being the Middle
25 District, and 3 being the Western District.
- 26 (10) Fire Department or Rescue Squad Member. -- Issuable to an active
27 regular member or volunteer member of a fire department, rescue
28 squad, or both a fire department and rescue squad. The plate shall
29 bear the words "Firefighter", "Rescue Squad", or "Firefighter-Rescue
30 Squad".
- 31 (11) Historic Vehicle Owner. -- Issuable for a motor vehicle that is at least
32 35 years old measured from the date of manufacture. The plate for a
33 vehicle that is 35 to 50 years old shall bear the phrase "Antique".
34 The plate for a vehicle that is at least 50 years old shall bear the
35 phrase "Horseless Carriage".
- 36 (12) Judge or Justice. -- Issuable to a sitting or retired judge or justice in
37 accordance with G.S. 20-79.6.
- 38 (13) Legislator. -- Issuable to a member of the North Carolina General
39 Assembly. The plate shall bear the words "Senate" or "State House"
40 followed by the Senator's or Representative's assigned seat number.
- 41 (14) Marshal. -- Issuable to a United States Marshal. The plate shall bear
42 the phrase "U.S. Marshal" followed by a number that represents the
43 district the Marshal serves, with 1 being the Eastern District, 2 being
44 the Middle District, and 3 being the Western District.

- 1 (15) Military Reservist. -- Issuable to a member of a reserve component of
2 the armed forces of the United States. The plate shall bear the name
3 and insignia of the appropriate reserve component. Plates shall be
4 numbered sequentially for members of a component with the numbers
5 1 through 5000 reserved for officers, without regard to rank.
- 6 (16) National Guard Member. -- Issuable to an active or a retired member
7 of the North Carolina National Guard. The plate shall bear the phrase
8 "National Guard". A plate issued to an active member shall bear a
9 number that reflects the seniority of the member; a plate issued to a
10 commissioned officer shall begin with the number "1"; a plate issued
11 to a noncommissioned officer with a rank of E7, E8, or E9 shall begin
12 with the number "1601"; a plate issued to an enlisted member with a
13 rank of E6 or below shall begin with the number "3001". The plate
14 issued to a retired or separated member shall indicate the member's
15 retired status.
- 16 (17) Partially Disabled Veteran. -- Issuable to a veteran of the armed forces
17 of the United States who suffered a service connected disability of less
18 than 100%.
- 19 (18) Pearl Harbor Survivor. -- Issuable to a veteran of the armed forces of
20 the United States who was present at and survived the attack on Pearl
21 Harbor on December 7, 1941. The plate will bear the phrase "Pearl
22 Harbor Survivor" and the insignia of the Pearl Harbor Survivors'
23 Association.
- 24 (19) Personalized. -- Issuable to the registered owner of a motor vehicle.
25 The plate will bear the letters or letters and numbers requested by the
26 owner. The Division may refuse to issue a plate with a letter
27 combination that is offensive to good taste and decency. The Division
28 may not issue a plate that duplicates another plate.
- 29 (20) Prisoner of War. -- Issuable to a member or veteran member of the
30 armed forces of the United States who has been captured and held
31 prisoner by forces hostile to the United States while serving in the
32 armed forces.
- 33 (21) Purple Heart Recipient -- Issuable to a recipient of the Purple Heart
34 award. The plate shall bear the phrase "Purple Heart Veteran,
35 Combat Wounded" and the letters "PH".
- 36 (22) State Government Official. -- Issuable to elected and appointed
37 members of State government in accordance with G.S. 20-79.5.
- 38 (23) Street Rod Owner. -- Issuable to the registered owner of a modernized
39 private passenger motor vehicle manufactured prior to the year 1949
40 or designed to resemble a vehicle manufactured prior to the year
41 1949. The plate shall bear the phrase "Street Rod".
- 42 (24) Transportation Personnel. -- Issuable to various members of the
43 Divisions of the Department of Transportation. The plate shall bear

1 the letters "DOT" followed by a number from 1 to 85, as designated
 2 by the Governor.

3 (25) U.S. Representative. -- Issuable to a United States representatives for
 4 North Carolina. The plate shall bear the phrase "U.S. House" and
 5 shall be issued on the basis of Congressional districts represented by
 6 the numbers 1 through 11.

7 (26) U.S. Senator. -- Issuable to a United States Senators for North
 8 Carolina. The plates shall bear the phrase "U.S. Senate" and shall be
 9 issued on the basis of seniority represented by the numbers 1 and 2.

10 (b) Fees. -- Upon request, the Division shall provide and issue free of charge one
 11 registration plate to a recipient of the Congressional Medal of Honor, a 100% disabled
 12 veteran, and an ex-prisoner of war. The annual fee for a special plate issuable to an
 13 active member of the National Guard is the amount of the regular motor vehicle
 14 registration fee. The annual fee for a personalized plate issued under this section is the
 15 amount of the regular motor vehicle registration fee plus an additional twenty dollars
 16 (\$20.00). The annual fee for any other special plate listed in this section is the regular
 17 motor vehicle registration fee plus an additional ten dollars (\$10.00).

18 The Division shall credit the revenue derived from the additional fee collected for
 19 any special plate to the Special Registration Plate Fund.

20 (c) Disqualification. -- A holder of a special license plate who becomes ineligible
 21 for the plate, for whatever reason, shall return the special plate within 30 days.

22 "**§ 20-79.5. Special registration plates for elected and appointed State**
 23 **Government officials.** (a) Plates. -- The State government officials listed in this
 24 section are eligible for a special registration plate under G.S. 20-79.4. The plate shall
 25 bear the number designated in the following table for the position held by the official.

<u>Position</u>	<u>Number on Plate</u>
<u>Governor</u>	<u>1</u>
<u>Lieutenant Governor</u>	<u>2</u>
<u>Speaker of the House of Representatives</u>	<u>3</u>
<u>President Pro Tempore of the Senate</u>	<u>4</u>
<u>Secretary of State</u>	<u>5</u>
<u>State Auditor</u>	<u>6</u>
<u>State Treasurer</u>	<u>7</u>
<u>Superintendent of Public Instruction</u>	<u>8</u>
<u>Attorney General</u>	<u>9</u>
<u>Commissioner of Agriculture</u>	<u>10</u>
<u>Commissioner of Labor</u>	<u>11</u>
<u>Commissioner of Insurance</u>	<u>12</u>
<u>Speaker Pro Tempore of the House</u>	<u>13</u>
<u>Legislative Services Officer</u>	<u>14</u>
<u>Secretary of Administration</u>	<u>15</u>
<u>Secretary of Environment, Health and</u>	
<u>Natural Resources</u>	<u>16</u>
<u>Secretary of Revenue</u>	<u>17</u>

1	<u>Secretary of Human Resources</u>	<u>18</u>
2	<u>Secretary of Economic and Community</u>	
3	<u>Development</u>	<u>19</u>
4	<u>Secretary of Correction</u>	<u>20</u>
5	<u>Secretary of Cultural Resources</u>	<u>21</u>
6	<u>Secretary of Crime Control and Public</u>	
7	<u>Safety</u>	<u>22</u>
8	<u>Governor's Staff</u>	<u>23-29</u>
9	<u>State Budget Officer</u>	<u>30</u>
10	<u>State Personnel Director</u>	<u>31</u>
11	<u>Advisory Budget Commission</u>	
12	<u>Nonlegislative Member</u>	<u>32-41</u>
13	<u>Chair of the State Board of Education</u>	<u>42</u>
14	<u>President of the U.N.C. System</u>	<u>43</u>
15	<u>Alcoholic Beverage Control Commission</u>	<u>44-46</u>
16	<u>Assistant Commissioners of Agriculture</u>	<u>47-48</u>
17	<u>Deputy Secretary of State</u>	<u>49</u>
18	<u>Deputy State Treasurer</u>	<u>50</u>
19	<u>Assistant State Treasurer</u>	<u>51</u>
20	<u>Deputy Commissioner for the</u>	
21	<u>Department of Labor</u>	<u>52</u>
22	<u>Chief Deputy for the</u>	
23	<u>Department of Insurance</u>	<u>53</u>
24	<u>Assistant Commissioner of Insurance</u>	<u>54</u>
25	<u>Deputies and Assistant to the Attorney</u>	
26	<u>General</u>	<u>55-65</u>
27	<u>Board of Economic Development</u>	
28	<u>Nonlegislative Member</u>	<u>66-88</u>
29	<u>State Ports Authority</u>	
30	<u>Nonlegislative Member</u>	<u>89-96</u>
31	<u>Utilities Commission Member</u>	<u>97-104</u>
32	<u>Parole Commission Member</u>	<u>105-109</u>
33	<u>State Board Member, Commission Member,</u>	
34	<u>or State Employee Not Named in List</u>	<u>110-200</u>
35	<u>(b) Designation. -- When the table in subsection (a) designates a range of</u>	
36	<u>numbers for certain officials, the number given an official in that group shall be</u>	
37	<u>assigned. The Governor shall assign a number for members of the Governor's staff,</u>	
38	<u>nonlegislative members of the Advisory Budget Commission, nonlegislative members of</u>	
39	<u>the Board of Economic Development, nonlegislative members of the State Ports</u>	
40	<u>Authority, members of State boards and commissions, and for State employees. The</u>	
41	<u>Attorney General shall assign a number for the Attorney General's deputies and</u>	
42	<u>assistants.</u>	
43	<u>The first number assigned to the Alcoholic Beverage Control Commission is</u>	
44	<u>reserved for the Chair of that Commission. The remaining numbers shall be assigned</u>	

1 to the Alcoholic Beverage Control Commission members on the basis of seniority. The
2 first number assigned to the Utilities Commission is reserved for the Chair of that
3 Commission. The remaining numbers shall be assigned to the Utilities Commission
4 members on the basis of seniority. The first number assigned to the Parole
5 Commission is reserved for the Chair of that Commission. The remaining numbers
6 shall be assigned to the Parole Commission members on the basis of seniority.

7 § 20-79.6. Special registration plates for members of the judiciary. (a)
8 Appellate Division. -- A special plate issued to a Justice or Judge of the North Carolina
9 Appellate Courts shall bear the letter "J" followed by a number from 1 through 19.
10 The Chief Justice of the Supreme Court of North Carolina shall be issued the plate
11 bearing the number 1 and the remaining plates shall be issued to the Associate Justices
12 on the basis of seniority. The Chief Judge of the North Carolina Court of Appeals shall
13 be issued the next judicial plate and the remaining plates shall be issued to the
14 Associate Judges on the basis of seniority. Special plates issued to retired members of
15 the Supreme Court and the Court of Appeals shall bear a number indicating the
16 member's position of seniority at the time of retirement followed by the letter "X" to
17 indicate the member's retired status.

18 (b) Superior Court. -- A special plate issued to a resident superior court judge
19 shall bear the letter "J" followed by a number indicative of the judicial district the
20 judge serves. The number issued to the senior resident superior court judge shall be
21 equal to the sum of the numerical designation of the judge's judicial district, as defined
22 in G.S. 7A-41.1(a)(1), plus 20. If a district has more than one regular resident
23 superior court judge, a special plate for a resident superior court judge of that district
24 shall bear the number issued to the senior resident superior court judge followed by a
25 hyphen and a letter of the alphabet beginning with the letter "A" to indicate the judge's
26 seniority.

27 For a set of districts as defined in G.S. 7A-41.1(a)(2), other than 7A and 7C, the
28 number issued to the senior resident superior court judge shall be equal to the sum of
29 20 plus the number the districts in the set have in common. A special plate issued to
30 the other regular resident superior court judges of the set of districts shall bear the
31 number issued to the senior resident superior court judge followed by a hyphen and a
32 letter of the alphabet beginning with the letter "A" to indicate the judge's seniority
33 among all of the regular resident superior court judges of the set of districts. The letter
34 assigned to a resident superior court judge will not necessarily correspond with the
35 letter designation of the district the judge serves. For the set of districts 7B and 7C,
36 the senior resident superior court judge for that set shall be issued a special plate
37 bearing the designation 27C following the letter "J", and all other resident superior
38 court judges of the set shall be issued a special plate bearing that designation followed
39 by the letter "B".

40 A special judge, emergency judge, or retired judge of the superior court shall be
41 issued a special plate bearing the letter "J" followed by a number designated by the
42 Administrative Office of the Courts with the approval of the Chief Justice of the
43 Supreme Court of North Carolina. The plate for a retired judge shall have "X" after
44 the designated number to indicate the judge's retired status.

1 (c) District Court. -- A special plate issued to a North Carolina district court
2 judge shall bear the letter "J" followed by a number. For the chief judge of the district
3 court district, the number shall be equal to the sum of the numerical designation of the
4 district court district the chief judge serves, plus 100. The number for all other judges
5 of the district courts serving within the same district court district shall be the same
6 number as appears on the special plate issued to the chief district judge followed by a
7 letter of the alphabet beginning with the letter "A" to indicate the judge's seniority. A
8 retired district court judge shall be issued a similar plate except that the numerical
9 designation shall be followed by the letter "X" to indicate the judge's retired status.

10 (d) United States. -- A special plate issued to a Justice of the United States
11 Supreme Court, a Judge of the United States Circuit Court of Appeals, or a District
12 Judge of the United States District Court residing in North Carolina shall bear the
13 words "U.S. J" followed by a number beginning with "1". The number shall reflect
14 the judge's seniority based on continuous service as a United States Judge as designated
15 by the Secretary of State. A judge who has retired or taken senior status shall be
16 issued a similar plate except that the number shall be based on the date of the judge's
17 retirement or assumption of senior status and shall follow the numerical designation of
18 active justices and judges."

19 Sec. 3. G.S. 20-81.3 is recodified as G.S. 20-79.7 and reads as rewritten:

20 "§ 20-81.3. 20-79.7. Special personalized registration plates. Registration Plate
21 Fund.

22 (a) ~~The Commissioner may promulgate rules on the issuance of special~~
23 ~~personalized registration plates to the owner of private passenger motor vehicles,~~
24 ~~private trucks, or commercial motor vehicles weighing 5,000 pounds or more gross~~
25 ~~weight, in lieu of other number plates. Such personalized registration plate shall be of~~
26 ~~such design and shall bear such letter or letters and numerals as the Commissioner shall~~
27 ~~prescribe, but there shall be no duplication of a registration plate. The Commissioner~~
28 ~~shall in his discretion refuse the issue of such letter combinations which might carry~~
29 ~~connotations offensive to good taste and decency. Fund. -- The Special Registration~~
30 ~~Plate Fund is established. The Fund consists of the revenue derived from the additional~~
31 ~~fee collected for any special registration plate issued under G.S. 20-79.4. The~~
32 ~~Commissioner shall deduct the costs of the special registration plates, including the~~
33 ~~costs of issuing, handling, and advertising the availability of the special plates, from the~~
34 ~~Fund.~~

35 (b) ~~An owner who desires personalized registration plates shall make application~~
36 ~~for such plates on forms which shall be provided by the Division of Motor Vehicles and~~
37 ~~pay the sum of twenty dollars (\$20.00) annually, which shall be in addition to the~~
38 ~~regular motor vehicle registration fee. Once an owner has obtained personalized plates,~~
39 ~~he, where possible, will have first priority on those plates for the following years~~
40 ~~provided he makes timely and appropriate application; provided, however, that the~~
41 ~~Commissioner shall not issue a personalized license plate pursuant to this section except~~
42 ~~upon written application therefor on a form furnished by the Commissioner in which~~
43 ~~the applicant certifies that his operator's or chauffeur's license has not been revoked or~~
44 ~~suspended under Article 2 of Chapter 20 of the General Statutes within two years prior~~

1 to the date of the application; and provided, further, that any personalized license plate
2 issued pursuant to this section shall be cancelled and recalled by the Commissioner and
3 the application fee forfeited in the event that the Commissioner determines that a false
4 application has been submitted. Initial Distribution of Proceeds. -- After deducting the
5 costs of the special registration plates from the Fund, one-half of the proceeds in the
6 Fund shall be transferred quarterly to the Recreation and Natural Heritage Trust Fund
7 established under G.S. 113-77.7. From the remaining one-half of the proceeds, the
8 Secretary of Transportation may allocate and reserve up to one hundred thousand
9 dollars (\$100,000) to the Department of Transportation each fiscal year for the purpose
10 of traffic control at major events as provided for by G.S. 136-44.2. Any funds
11 allocated for traffic control that are neither used nor obligated at the end of the fiscal
12 year shall remain in the Fund and be used in accordance with subsection (c) of this
13 section.

14 (c) ~~One-half of the revenue derived from the additional fee shall be deposited in~~
15 ~~the Recreation and Natural Heritage Trust Fund established under G.S. 113-77.7. The~~
16 ~~remaining one-half of the revenue derived from the additional fee for the special~~
17 ~~personalized registration plates shall be placed in a separate fund designated the~~
18 ~~"Personalized Registration Plate Fund". After deducting the cost of the plates, plus~~
19 ~~budgetary requirements for advertising, handling, and issuance to be determined by the~~
20 ~~Commissioner, the revenue in the Personalized Registration Plate~~ Use of Remaining
21 Proceeds. -- The remaining revenue in the Fund shall be transferred quarterly as
22 follows:

- 23 (1) Thirty-three percent (33%) to the account of the Department of
24 Economic and Community Development to aid in financing
25 out-of-state print and other media advertising under the program for
26 the promotion of travel and industrial development in this State.
- 27 (2) Fifty percent (50%) to the Department of Transportation to be used
28 solely for the purpose of beautification of highways other than those
29 designated as interstate. These funds shall be administered by the
30 Department of Transportation for beautification purposes not
31 inconsistent with good landscaping and engineering principles.
- 32 (3) Seventeen percent (17%) to the account of the Department of Human
33 Resources to promote travel accessibility for disabled persons in this
34 State. These funds shall be ~~used;~~ used to collect and update site
35 information on travel attractions designated by the Department of
36 Economic and Community Development in its ~~publications;~~
37 publications, to provide technical assistance to travel attractions
38 concerning accommodation of disabled ~~tourists;~~ tourists, and to
39 develop, print, and promote the publication ACCESS NORTH
40 CAROLINA. ~~ACCESS NORTH CAROLINA~~ as provided in
41 G.S.168-2. ~~The Department of Human Resources shall make copies~~
42 ~~of ACCESS NORTH CAROLINA available to the Department of~~
43 ~~Economic and Community Development for its use in Welcome~~
44 ~~Centers and other appropriate Department of Economic and~~

1 Community Development offices. Any funds allocated for these
2 purposes that are neither spent nor obligated at the end of the fiscal
3 year shall be transferred to the Department of Administration for
4 removal of man-made barriers to disabled travelers at State-funded
5 travel attractions. Guidelines for the removal of man-made barriers
6 shall be developed in consultation with the Department of Human
7 Resources.

8 ~~(4) The Department of Economic and Community Development shall~~
9 ~~promote ACCESS NORTH CAROLINA in its publications (including~~
10 ~~providing a toll-free telephone line and an address for requesting~~
11 ~~copies of the publication) and provide technical assistance to the~~
12 ~~Department of Human Resources on travel attractions to be included~~
13 ~~in ACCESS NORTH CAROLINA. The Department of Economic and~~
14 ~~Community Development shall forward all requests for mailing~~
15 ~~ACCESS NORTH CAROLINA to the Department of Human~~
16 ~~Resources.~~

17 ~~(5) Funds allocated by this subsection for promotion of travel accessibility~~
18 ~~and ACCESS NORTH CAROLINA which are not spent and are not~~
19 ~~obligated at the end of the fiscal year shall not revert but shall be~~
20 ~~transferred to the Department of Administration for removal of man-~~
21 ~~made barriers to disabled travelers at State-funded travel attractions.~~
22 ~~Guidelines for the removal of man-made barriers shall be developed in~~
23 ~~consultation with the Department of Human Resources.~~

24 ~~(d) Repealed by Session Laws 1975, c. 716, s. 5.~~

25 ~~(e) Special personalized registration plate shall mean any registration plate bearing~~
26 ~~any combination of letters or numerals, or both, other than that which the Division~~
27 ~~determines would normally be issued sequentially to an applicant for original or~~
28 ~~renewal vehicle registration.~~

29 ~~(f) In the event a personalized registration plate is lost, stolen or mutilated, the~~
30 ~~owner may not obtain another such plate bearing the same letter, letters or numerals~~
31 ~~until the next registration year. He may, upon proper application and payment of a fee~~
32 ~~of nine dollars (\$9.00), obtain a plate of the regular series. Provided, further, that a~~
33 ~~special personalized registration plate revoked for violation of the motor vehicle laws~~
34 ~~shall not be reissued, but in lieu thereof a plate of the regular series will be issued upon~~
35 ~~payment of the appropriate fee for the new registration plate.~~

36 ~~(g) The Secretary of Transportation may allocate and reserve up to one hundred~~
37 ~~thousand dollars (\$100,000) to the Department of Transportation each fiscal year from~~
38 ~~the "Personalized Registration Plate Fund", before any other transfers are made~~
39 ~~pursuant to subsection (c) of this section, for the purpose of traffic control at major~~
40 ~~events as provided for by G.S. 136-44.2. Any funds allocated pursuant to this~~
41 ~~subsection that are not used or obligated shall remain in the "Personalized Registration~~
42 ~~Plate Fund" for use for the fund's other purposes.~~

43 Sec. 4. G.S. 168-2 is rewritten to read:

44 "§ 168-2. Right of access to and use of public places.

1 Handicapped persons have the same right as the ablebodied to the full and free use
2 of the streets, highways, sidewalks, walkways, public buildings, public facilities, and all
3 other buildings and facilities, both publicly and privately owned, which serve the
4 public. The Department of Human Resources shall develop, print, and promote the
5 publication ACCESS NORTH CAROLINA. It shall make copies of the publication
6 available to the Department of Economic and Community Development for its use in
7 Welcome Centers and other appropriate Department of Economic and Community
8 Development offices. The Department of Economic and Community Development shall
9 promote ACCESS NORTH CAROLINA in its publications (including providing a toll-
10 free telephone line and an address for requesting copies of the publication) and provide
11 technical assistance to the Department of Human Resources on travel attractions to be
12 included in ACCESS NORTH CAROLINA. The Department of Economic and
13 Community Development shall forward all requests for mailing ACCESS NORTH
14 CAROLINA to the Department of Human Resources."

15 Sec. 5. G.S. 20-37.6(e) reads as rewritten:

16 "(e) Enforcement of Handicapped Parking Privileges. -- It shall be unlawful:

- 17 (1) To park or leave standing any vehicle in a space designated with a
18 sign pursuant to subsection (d) of this section for handicapped persons
19 or visually impaired persons when the vehicle does not display the
20 distinguishing license plate, placard, or identification card as provided
21 in this section or a disabled veteran registration plate issued pursuant
22 to G.S. 20-81.4; under G.S. 20-79.4.
- 23 (2) For any person not qualifying for the rights and privileges extended to
24 handicapped or visually impaired persons under this section to exercise
25 or attempt to exercise such rights or privileges by the unauthorized use
26 of a distinguishing license plate, placard, or identification card issued
27 pursuant to the provisions of this section;
- 28 (3) To park or leave standing any vehicle so as to obstruct a curb ramp or
29 curb cut for handicapped persons as provided for by the North
30 Carolina Building Code or as designated in G.S. 136-44.14;
- 31 (4) For those responsible for designating parking spaces for the
32 handicapped to erect or otherwise use signs not conforming to G.S.
33 20-37.6(d) for this purpose.

34 This section is enforceable in all public vehicular areas specified in G.S.
35 20-4.01(32)."

36 Sec. 6. G.S. 20-95 reads as rewritten:

37 "§ 20-95. Licenses for less than a year. (a) Except as provided in subsection (b) of
38 this section, licenses issued on or after April 1 and before July 1 of each year shall be
39 three fourths of the annual fee; licenses issued on or after July 1 and before October 1
40 shall be one half of the annual fee; and licenses issued on or after October 1 shall be
41 one fourth of the annual fee.

42 (b) This section shall not apply to licenses issued pursuant to G.S. ~~20-65~~, 20-79.1,
43 20-79.2, 20-79.3, ~~20-81.2~~, 20-84, 20-84.1, 20- 87(9) through (10) and 20-88(c)."

44 Sec. 7. G.S. 20-66(b) is rewritten to read:

1 "(b) For the registration period beginning January 1, 1975, the Division, upon
2 proper application for renewal of registration for private passenger motor vehicles, shall
3 issue a new registration plate and registration card. For the registration period
4 beginning January 1, 1976, and all subsequent registration periods, the Division, upon
5 application for renewal of registration, shall, in lieu of a new registration plate, issue
6 one or more stickers, tabs or other suitable devices denoting the registration period for
7 which issued; provided that for the registration periods beginning January 1, 1978, and
8 thereafter, the Division may, as it deems advisable in the discretion of the
9 Commissioner, issue new registration plates together with such stickers, tabs or other
10 ~~devices; provided further, the provisions of this subsection shall not apply to special~~
11 ~~issue plates, including but not limited to official plates, legislator plates, civil air patrol~~
12 ~~plates and national guard plates, devices."~~

13 Sec. 8. This act shall become effective July 1, 1991.

NORTH CAROLINA GENERAL ASSEMBLY
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November 29, 1990

MEMORANDUM

TO: Members of the Special License Plate Committee
FROM: Cynthia Avrette, ^{CA} Committee Counsel
RE: Explanation of Draft Legislation entitled "AN ACT TO CONSOLIDATE AND SIMPLIFY THE SPECIAL LICENSE PLATE STATUTES"

The bill entitled **AN ACT TO CONSOLIDATE AND SIMPLIFY THE SPECIAL LICENSE PLATE LAWS** consolidates the 14 statutes concerning special license plates into one statute. Special license plates are registration plates bearing a combination of letters, numbers, or both, other than those normally issued sequentially by the Division of Motor Vehicles. The proposed legislation simplifies the special license plate system by establishing a uniform fee structure, a single revenue account, and a uniform method of distribution for the excess revenue in the account.

Section 1 repeals the various statutes concerning special registration plates. **Section 2** consolidates these statutes into one statute. The only special plate not included in the consolidation is the plate issuable to consulars and diplomats. The United States Government asked the Division of Motor Vehicles to discontinue issuing these plates in 1985. This section also changes the phrase "Antique Auto" to "Antique" so that the plate will be applicable to trucks and motorcycles that are 35 to 50 years old from the date of manufacture. It changes the phrase "U.S. Judge" to "U.S. J" for the security of the United States judges. It also shortens the phrase "U.S. Coast Guard Auxiliary" to "Coast Guard Auxiliary" because the former phrase has too many letters to put on a registration plate.

The proposed legislation simplifies the special registration plate statutes by establishing a uniform fee schedule as follows:

MEMORANDUM

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<u>Type of Special Plate</u>	<u>Fee Amount</u>
Congressional Medal of Honor	Free
Prisoner of War	Free
100% Disabled Veteran	Free
Active National Guard	Registration Fee only
Personalized	Registration Fee plus \$20.00
All other Special Plates	Registration Fee plus \$10.00

Under current law, there are two revenue funds--the Personalized Registration Plate Fund and the Special License Plate Fund. The Special License Plate Fund is segregated into several different accounts. Section 3 of the draft legislation establishes one revenue account, the Special Registration Plate Fund, and provides for a uniform fee distribution. After the costs of the special plates are deducted from the Fund, one-half of the proceeds shall be transferred quarterly to the Recreation and Natural Heritage Trust Fund.

Presently, the Natural Heritage Trust Fund receives \$10.00 of the \$20.00 additional fee collected for personalized license plates. None of the administrative costs associated with collecting and accounting the revenue to the Natural Heritage Trust Fund are deducted from this amount. Under this section, all of the money is credited to a single account. The administrative costs associated with all of the special plates are deducted from the account before any distribution is made.

Of the remaining one-half of the proceeds in the Special Registration Plate Fund, the Secretary of Transportation may reserve up to \$100,000 for traffic control at major events. G.S. 136-44.2 defines a major traffic event as one that generates 30,000 vehicles or more a day. The remaining revenue in the Fund shall be transferred quarterly as follows:

- * 33% to the Department of Economic and Community Development to aid in promoting travel and industrial development in this State;
- * 50% to the Department of Transportation to finance the beautification of the State's highways; and
- * 17% to the Department of Human Resources to promote travel accessibility for disabled persons.

Any funds allocated for traffic control that are neither used nor obligated at the end of the fiscal year will remain in the Fund and will be distributed among the three State agencies as outlined above.

Section 4 of the proposed legislation moves language concerning the publication ACCESS NORTH CAROLINA from the motor vehicle statutes to the handicapped persons statutes.

Sections 5 through 7 of the proposed legislation makes technical and conforming changes to the motor vehicle statutes.

Section 8 makes this bill effective July 1, 1991.

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M E M O R A N D U M

TO: LRC Committee on Personalized/Special License Plates
FROM: Richard Bostic^{LB}, Fiscal Research Division
DATE: Revised - December 3, 1990
RE: Fiscal Report - Simplify Special Plate Statutes

I have been asked by counsel to prepare a fiscal analysis of the proposed "act to consolidate and simplify the special license plate laws". An official fiscal note cannot be issued until a bill has been introduced and a legislator has requested a note.

FISCAL IMPACT

Based on revenues and expenditures in Fiscal Year 1989-90 and assuming no growth in plate sales, the proposed legislation would have the following impact:

Recreation & Natural Heritage Trust Fund	Amt. +/-
Dept. of Economic & Community Development	(\$246,654)
Dept. of Transportation	100,668
Dept. of Human Resources	152,527
Special Registration Plate Fund	51,859
	\$58,400
Highway Fund	\$32,408

REVENUE

The proposed bill creates a Special Registration Plate Fund into which are deposited all fees from personalized and special plates sales. Currently, \$10 of the \$20 fee for personalized plates as well as fees from special plates such as U.S. military reserves, Civil Air Patrol, Pearl Harbor Survivors and Purple Heart Recipients are deposited into the Personalized Registration Plate Fund. The remaining \$10 from the personalized plates goes to the Recreation and Natural Heritage Trust Fund. Separate accounts have been used for plate sales to state officials, retired National Guard, citizens radio station operators and U.S. Coast Guard Auxiliary. Plate fees for amateur radio operators and partially disabled veterans have been deposited into the Highway Fund.

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The proposed bill will generate **\$58,400** in new and transferred revenue for the Special Registration Plate Fund. Amateur radio operators who now pay a \$10 fee for their plate every 5 years would pay an annual \$10 fee under the proposed bill. This would yield \$23,710 in new revenue plus another \$5,930 that had been deposited into the Highway Fund. Antique vehicles that now pay no fee will pay \$10 annually under the new bill yielding \$27,920 in new revenues. The fund will also benefit from a transfer of \$810 from the Highway Fund for partially disabled veterans plates and from a \$30 increase in revenues from an annual \$10 fee on horseless carriages.

In Fiscal Year 1989-90, revenues to the various plate funds were as follows:

Personalized Reg. Plate Fund	\$1,958,500
Rec. and Nat. Heritage Trust Fund	1,176,198
Special License Plate Fund	9,987
	<u>\$3,144,685</u>

Revenue in the Recreation and Natural Heritage Trust Fund was for nine months only and will almost equal deposits in the Personalized Reg. Plate Fund in a twelve month period. A difference of \$27,800 is from the deposit of the \$10 fee for military reservists, Civil Air Patrol, Purple Heart recipients and Pearl Harbor survivors into the Personalized Registration Plate Fund.

Revenues into the Personalized Reg. Plate Fund grew 18.3% per year between FY 1985-86 and FY 1988-89. Last year revenue fell .07% probably due to the doubling of the fee to \$20 for the Recreation and Natural Heritage Trust Fund. After four months in FY 1990-91, personalized plate revenue has fallen 8.82% over the previous year.

For this analysis, I will assume no growth in plate sales for the next biennium. Revenue for each year of the FY 1991-93 biennium will be as follows:

Personalized Reg. Plate Fund	\$1,958,500
Rec. and Nat. Heritage Trust Fund	1,930,700
New revenue from law changes	58,400
Special License Plate Fund	9,987
	<u>\$3,957,587</u>

The bill's net impact on the Highway Fund is **\$32,408**. The Highway Fund will benefit from an increase in the registration fee for antique autos from \$6 to \$20 (\$39,088) and the change from a one-time fee to an annual registration fee on horseless carriages (\$60). However, the Fund will lose \$6,740 that it had received from the amateur radio operators and partially disabled veterans.

EXPENDITURES

The proposed bill allows the Commissioner of Motor Vehicles to "deduct the costs of the special registration plates, including the costs of issuing, handling, and advertising the availability of the special plates" from the Special Registration Plate Fund. Currently, the Recreation and Natural Heritage Trust Fund pays no administrative cost and the fees from special license plates cover only 30.5% of the cost. It is proposed that administrative expenses be taken off the top before funds are distributed, thus forcing the Recreation and Natural Heritage Trust Fund to share the operations cost.

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The FY 1989-90 cost of administering both the personalized and special plate funds was \$589,496. Approximately 62% of the administrative costs is for salaries and fringe benefits of 16 employees in the Official and Personalized License Plate Section at DMV. The remaining costs are roughly 18% for license plates and stickers, 14% for postage, 3% for branch agent commissions and 3% for other expenses.

Once administrative fees are deducted and the Recreation and Natural Heritage Trust Fund receives 50% of the proceeds, then \$100,000 is subtracted from the Special Registration Plate Fund each year for DOT to use in traffic control at major events. In the past three fiscal years, DOT has used an average of \$44,425 for this purpose. All funds not used from this allocation are returned to the fund for distribution.

ALLOCATION

On November 29 the Study Commission adopted an allocation formula for the Special Registration Plate Fund. The Recreation and Natural Heritage Fund will receive 50% of the proceeds after administrative costs are deducted. From the balance in the Special Plate Fund \$100,000 will be deducted for traffic control. The remainder is distributed according to the current formula as follows:

33%	Dept. of Economic and Community Development
50%	Dept. of Transportation
17%	Dept. of Human Resources
100%	

Assuming that costs are frozen at the FY 1989-90 level and there is no growth in plate sales, the following chart illustrates the impact the DOT proposed allocation formula:

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DOT PROPOSED ALLOCATION FORMULA

	FY 91-92 CURRENT LEGISLATION	FY 91-92 PROPOSED LEGISLATION	DIFFERENCE
Revenues			
Personalized Plates	\$3,889,200	\$3,889,200	--
Special Plates	9,987	9,987	--
New Revenue	--	58,400	\$58,400
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	\$3,899,187	\$3,957,587	\$58,400
Expenditures			
Administration	\$589,496	\$589,496	--
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Sub-Total	3,309,691	3,368,091	58,400
Initial Allocation - Rec & Natural Heritage Trust Fund	1,930,700	1,684,046	(246,654)
Reserve - Traffic Control	100,000	100,000	--
Allocation			
Dept. of Economic & Community Dev.	422,067	522,735	100,668
Dept. of Transportation	639,496	792,023	152,527
Dept. of Human Resources	217,428	269,287	51,859
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	\$1,278,991	\$1,584,045	\$305,054